SURVEY OF POTENTIAL HOME BUYERS WHO VISITED
THE HUDAC TRIPLE "A" DEMONSTRATION HOME -
VANCOUVER, FEBRUARY 1983

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WHO VISITED THE HUDAC TRIPLE "A"

DEMONSTRATION HOME - VANCOUVER, FEBRUARY 1983

Their Attitudes to: Super Energy Efficiency, Lot Size, Unfinished Interior Space and Adaptable House Layout

VOLUME I - GENERAL SUMMARY REPORT

Prepared for
Canada Mortgage and Housing Corporation
and
Energy, Mines and Resources Canada

by

MARKET LINK REALTY CONSULTANTS

Vancouver, B.C.

in conjunction with

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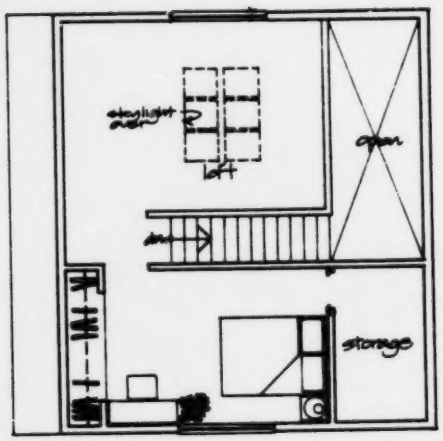
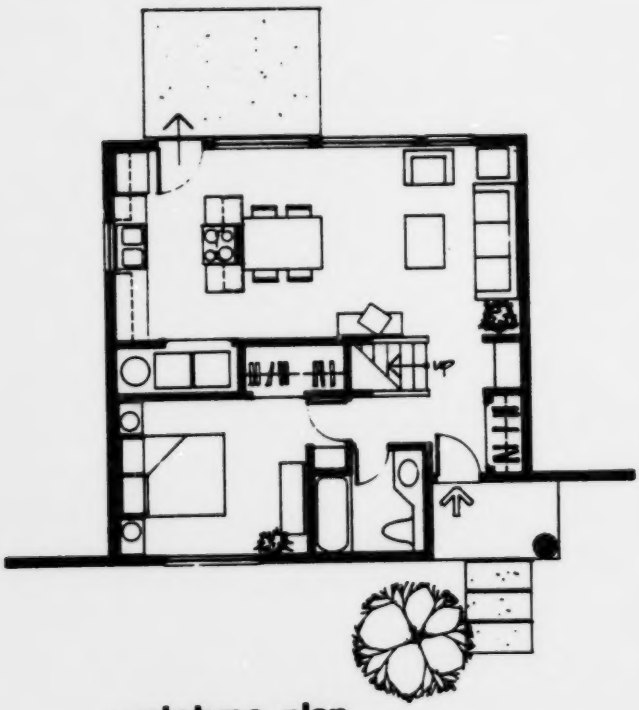


upstairs option 1

starter family



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HUDAC TRIPLE 'A' HOME

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FOREWORD

Background

The economic upswing of 1979 and 1980 and the corresponding downturn of 1981 and 1982 left the residential construction industry with high interest rates and no customers. HUDAC - Greater Vancouver (the Housing and Urban Development Association of Canada - Greater Vancouver Chapter) decided to confront the problem head-on. The two major concerns of affordability and consumer confidence were to be addressed. Affordability included price, down payment and operating costs. Consumer confidence would be addressed through the perceived value of pleasing design, good utility and longevity of performance. It was felt by HUDAC that lot size was largely responsible for the high cost of housing. Less land would mean lower land cost and also smaller housing, therefore less house cost. This down-sizing approach would answer the need of lower price, therefore smaller down payment and smaller monthly payments. The total monthly operating costs could be reduced further by building to high standards of energy efficiency. The low energy cost variable in the mortgage qualifying equation would increase affordability.

Consumer confidence could be nurtured by the many benefits of good, innovative design. It could evolve with the changing life cycles. Affordable in the early years, expandable for the family years and easily manageable and maintainable for the empty nester cycle.

Most municipalities rejected the idea of small lots (2,500 sq.ft.), so HUDAC decided to demonstrate to the public for the benefit of the municipal planners and politicians exactly the features this innovative land use and house plan could offer the community.

On February 4, 1983, HUDAC's Triple "A" Demonstration Home opened for public viewing on a parking lot at the corner of West Georgia and Thurlow Streets in downtown Vancouver. The HUDAC home embodied all the principles just outlined and the Triple "A" home signifies Affordability, Accessibility and Adaptability. It was built in its one bedroom mode, the upstairs was finished for display purposes. Site planning, alternate floor plans and low energy technology were on view to help tell the entire story to the public. In addition, the home sat within a white picket fence defining an area of about 2,500 sq.ft.

This one bedroom home was unique; combining R-2000 super energy efficiency, reasonable price and an adaptable house layout which allows easy internal alterations and external additions. During the forty day demonstration period about 13,500 people had the opportunity to learn about these innovations. As follow-up, HUDAC, in conjunction with CMHC and Energy, Mines & Resources Canada, are interested in how the two concepts of super energy efficiency and adaptable house layout are perceived by the general public.

To obtain this information, a survey was conducted. Market Link Realty Consultants was commissioned to co-ordinate the study, in conjunction with Canadian Facts which provided technical services, and Valerie Rose, Marketing Consultant who provided ongoing consulting and preparation of the general summary report.

Objectives

The overall objectives of this study were to determine the attitudes, perceptions and concerns of potential home buyers regarding energy efficiency and adaptable house layout in new home construction.

More specifically, to determine:

- the importance of energy efficiency and design as trade-off factors
- perceived benefits of a SEE house
- the purchasers' views of value and cost
- the concern involved in purchase of a SEE house
- the purchasers' reactions towards interior finishing options and lot size
- the characteristics of individuals who have shown interest in SEEH.

Methodology

A total of 402 telephone interviews were completed between April 20 and April 27, 1983. Interviews were conducted with individuals residing in the Greater Vancouver Regional District and who:

1. had personally toured the HUDAC demonstration house and,
2. plan to buy a home within the next 10 years.

All interviewing was executed from Canadian Facts' central location telephoning facilities in Vancouver where interviewing is continuously supervised and monitored. Up to two calls were made per selected individual and all calls were made in the evenings and on Saturday to ensure inclusion of those individuals otherwise not at home.

The sample consisted of randomly selected entry forms. These forms originated from a contest draw held by HUDAC for a microwave oven. Names, addresses, and telephone numbers of visitors were entered on the forms at the time they viewed the demonstration house.

A total of 1,541 entry forms were randomly selected for use in the study. The table below indicates the outcome of the used sample.

SAMPLE OUTCOME:	Total Used (1,541) #	% of Used (100) %
Completions	402	26
Does not qualify for survey	321	21
Respondent not available during interviewing period	74	5
Do not speak English well enough to understand and communicate	16	1
Refused	218	14
- Not interested	34	2
- Claimed to have already done survey in household	26	2
- Too busy, don't have the time	24	2
- Miscellaneous reasons	24	2
- Breakoffs	7	*
- Reason unspecified	103	7
No answer	374	24
Busy 3 times	27	2
To be called back	39	3
Non-valid numbers (out-of-service, etc.)	41	3
Non-residential number (business)	10	1
No number recorded on form	19	1

* Equals less than one half of one percent.

The questionnaire used in the study was developed in conjunction with representatives from the Canada Mortgage and Housing Corporation, Energy, Mines and Resources Canada, HUDAC, and Canadian Facts. Questions were designed to address key issues identified by each sponsor as well as mutual concerns.

A pretest of the questionnaire was conducted on April 8 and 9, 1983. Information from the 29 completed interviews was used:

- to detect problems respondents may have had with wording or length of the questionnaire

- to assess whether correct information was being obtained through the present questions, and

- to observe incidence levels of purchase intent.

Following completion of the fieldwork, the data collected from the completed questionnaire was processed by computer.

Results

Results are presented in two separate volumes:

Volume I - The General Summary Report
Volume II - Detailed Computer Tables.

The results of this research are presented in Volume I - The General Summary Report as follows:

- Highlights
- General Summary.

The detailed computer tables and the Appendix are presented in a separate Volume II entitled Detailed Computer Tables.

Note: Data derived from sample populations is subject to variance. In order not to imply an unwarranted degree of precision, all percentage figures in the Highlights and General Summary have been rounded to whole numbers.

Throughout the General Summary, circles have been used to denote unusually high figures, and squares have been used to denote unusually low figures at the 90% confidence level.

HIGHLIGHTS

- Generally, there appear to be two major groups of potential purchasers: younger, first-time purchasers looking for affordability and potentially prepared to trade off house features and finish for lower costs; and older, experienced purchasers who tend to want a finished house in a convenient location.

- The majority of potential home purchasers considered that it is important to have more than the average number of energy efficient features.

- In addition, warranty/builders' guarantee and house design are also rated as important factors when considering the purchase of a house. Both warranty and energy efficiency are closely related to a preference for a finished interior, suggesting some portion of the market wants a home requiring no modifications after move-in. Adaptable house layout goes hand-in-hand with preference for an unfinished interior, suggesting that another part of the market, probably the younger, first-time purchaser, wants the affordability that adaptable house layout and finish can bring.

- The HUDAC Triple "A" Home appears to have been a memorable and helpful demonstration of house features such as design, insulation, energy efficiency and space adaptability.

- Not including the costs of principal, interest and taxes, down payment is ranked as the most important cost by more than half of all potential purchasers; especially younger purchasers. The ongoing costs, energy and maintenance/upkeep, are equally ranked in second place, leading to a suspicion that these two costs are not necessarily differentiated in the

minds of all potential purchasers. However, this suggests that these two costs could be an important economic factor - when potential homeowners are computing the immediate and long-term financial commitment involved in a home purchase decision.

- Most potential purchasers expect to live in their next home for 6 or more years. However, younger potential purchasers make up a significant portion of those who plan to stay 5 years or less in their next home, and who calculate finances for the home purchase well into the future. Trading up from the affordable house to a preferred house could be the reason for the short stay expected by these younger purchasers.

- Price expectations for a house and lot are, overall, significantly higher for the older, higher income potential purchaser who has owned a home, than for younger, lower income, first-time purchasers. This is consistent with the findings that many younger purchasers focus attention on affordable housing and down payments.

- Eighty-seven percent of potential purchasers are willing to accept the concept of R2000 housing if the higher cost is recovered through energy savings. Payback would be expected within ten years. There is a strong belief that the cost of an R2000 house would be recovered, either fully or partially, on resale.

- In the Vancouver market area, the average price which potential purchasers expect to pay for a finished house, and lot is $128,790; for an unfinished house, and lot, $95,750. The average saving expected, if the house interior is unfinished, is about one quarter of the finished house price. Generally, the percentage savings expected vary over a wide range. This suggests that some potential purchasers are not knowledgeable about finishing costs.

- Indications from this research are that a cost saving in the order of 10-25% may be required before potential purchasers would seriously consider unfinished options, if at all. However, as purchasing a new home in an unfinished state is a new concept, it is clear that the dollar value attending various unfinished features need to be communicated to potential purchasers before this concept can be judged as a viable option.

- Of all the finishing options only painting is something a majority of potential purchasers would accept unfinished, in order to keep the house cost down. Most of those who are prepared to accept a house unfinished in some respect, e.g. uncarpeted, are also prepared to do the work themselves, especially the young, inexperienced purchaser.

- Energy features wanted in the next home include insulation, a specific heating source, and double or triple glazed windows. About a quarter of all potential purchasers mentioned that they want heat exchangers. Given that some of these features are relatively new ideas, this interest is indicative of a desire by potential purchasers to move toward attaining higher levels of energy efficiency in a future home.

- While potential purchasers generally expressed a preference for larger than average, long lots, costs were not probed. Given the concerns of younger first-time purchasers for affordable housing, these findings may reflect a preference that could be considerably modified when the cost of a larger lot is known. As it is not a common practice to separate lot cost from house cost when quoting the selling price of a new home, it is highly likely that most of the potential purchasers surveyed simply disregarded lot costs entirely when they expressed preferences for large, long lots. In addition, the concept of a small (2500 square feet) lot was not clearly communicated at the HUDAC display home.

- The majority (72%) of potential purchasers toured the HUDAC display home and came away with some information they regarded as helpful to their future purchase decision. Overall the purchasers gave an average of 1.8 mentions each of specific ideas or information they recalled from the HUDAC display home.

- In addition to ideas and information on design, insulation and general energy efficiency, 27% of potential purchasers specifically mentioned the heat exchanger as a particularly helpful idea/concept presented in the HUDAC display home. Although it was one feature that some potential purchasers (13%) did not completely understand the display home did provide a good vehicle for its presentation to the public.

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A. CHARACTERISTICS OF POTENTIAL HOME PURCHASERS

1. Imminent and Other Future Purchasers as Differentiated by Home Ownership History

The potential purchasers of homes are defined as those who both toured the HUDAC starter house and stated that they are planning to purchase a home within the next ten years. The percentage of all potential purchasers planning to buy a home in the next:

1 to 2 years is 35%;
3 to 5 years is 39%;
6 to 10 years is 26%.

Of those potential purchasers planning to buy a home soon, in one or two years, a significant portion have previously owned a home. Since previous owners have some rather distinct characteristics, a profile of these experienced purchasers who expect to be in the market for a house soon can be defined as follows:

- Aged 35 or over;
- Household incomes of $40,000 or over;
- Rate annual energy costs as important in the purchase decision;
- Presently pay for heating;
- Consider a finished interior important.

	Total	Percentage of Potential Purchasers Who Have... Ever Owned a Home	Never Owned a Home
	402	(259)	(143)
	%	%	%
Purchase of the Next Home is Planned within the Next			
One to two years	35	42	23
Three to five years	39	37	43
Six to ten years	26	21	34

Reference: Volume II, Table I, page 1.

On the other hand, those who have never owned a home, show distinctly different, often opposite characteristics, namely:

- Under 35 years of age;
- Under $40,000 household income;
- Place mixed importance on annual energy costs;
- Do not pay heat;
- Consider a finished interior unimportant.

Throughout the results of this study the attitudes, expectations, opinions and concerns of previous homeowners differed (often significantly) from those of respondents who had never owned a home. As one would expect the prior experience of past homeowners has tempered their future decision criterias, whereas those who have never owned a home may lack both knowledge and a realistic perspective.

Characteristics of Potential Purchasers According to Whether or Not They Have Owned a Home	Base Total*	Percentage of Potential Purchasers Who Have... Ever Owned a Home	Never Owned a Home
		(259)	(143)
		%	%
Age: Under 35		31	87
35 or over		69	13
(page 77)			
Household Income:**			
Under $40,000		47	71
$40,000 or over		53	29
(pages 83 and 84)			
Heating:			
Presently Pays		88	44
Does Not Pay		12	55
(page 71)			
Ranked Importance of Annual Energy Costs:			
Most or 2nd Most		57	53
3rd or Least		41	46
(page 53)			
Importance of House Interior Being Completely Finished:			
Very Important		40	26
Not Important		39	48
Indifferent		21	27
(page 36)			

* Figures in this table are taken from tables on pages numbered as noted.

** The base totals for income are: ever owned, 189; never owned 108. Those refusing or not knowing income were eliminated and percentages were recalculated on the new totals, for this table.

2. Age of Potential Purchasers as a Discriminating Variable

In addition to home ownership, age had emerged as an important variable. Potential purchasers fall into three age groups, each with distinct characteristics:

- 18 - 34 years old (51% of total potential purchasers)
- 35 - 54 years old (38%)
- 55 years or older (10%).

Those 18 to 34 years old make up the majority of potential purchasers who have household incomes under $40,000, never owned a home, do not pay heat, rank annual energy costs as less important in the purchase decision and prefer an unfinished interior.

Potential purchasers 35 to 54 years old, on the other hand, comprise the majority of those with household incomes of $40,000 or over, have owned a home, pay heat and tend to place mixed importance on annual energy costs. Further, the younger portion of this age group (35 to 44) are still prepared to accept a house with the interior unfinished; the older portion (45 to 54), however, is not.

Those 55 years of age and older are primarily under $40,000 household income, have owned a home, may or may not be paying heat, but place importance on both annual energy costs in the purchase decision and on buying a home with a completely finished interior.

Clearly, the interest in a home with an unfinished interior diminishes with age. Older purchasers appear to be far less willing to purchase an unfinished house than are younger potential purchasers.

Further, a certain consistency is evident in that those who have owned homes and pay heat are inclined to place more importance on annual energy costs in the purchase decision than do younger potential purchasers who have mixed feelings about annual energy costs but tend to rank it as less important. As illustrated in the table below, a significantly larger proportion (61%) of older potential purchasers rated the importance of energy costs as the most or second most important consideration in their decision to buy a home.

		Potential Purchasers Who Are:	
	Total	34 Years Younger	35 Years or Older
	402	203	193
	%	%	%
Rating of the Importance of Energy Costs:			
Most of Second Most Important	56	51	61
Third or Least Important	42	47	31

Reference: Volume II, Table 35, page 53.

Age as a Variable Discriminating among Potential Purchasers' Characteristics

	Total	Under $40M	$40M & over	Ever Owned	Never Owned	Pays Heat	Does Not Pay Heat	Import. of Energy Costs: Most or 2nd	Import. of Energy Costs: 3rd or Least	Finished Interior: Not Import.	Finished Interior: Very Import.
Total Potential Purchasers	402	155	131	259	143	292	109	223	171	169	141
Aged:	%	%	%	%	%	%	%	%	%	%	%
18 to 34	51	(61) — [46]		[31] — (87)		[42] — (74)		47	57	56	43
35 to 44) 45 to 54)	38	[27] — (50)		(53) — [11]		(45) — [18]		40	35	(30) — [22]; [6] — (14)	
55+	10	12	4	(15) — [1]		11	7	13	7	[7] — (18)	

Reference: Volume II, Tables 55 and 56, pages 77 and 85.

B. HOUSE FEATURES CONSIDERED IMPORTANT IN THE PURCHASE DECISION

1. Features Mentioned Spontaneously

In deciding to buy or build a house, potential purchasers made most frequent spontaneous mentions of:

1. Location
   - Convenience, close to necessities such as work, schools, public transit.

2. Affordability
   - All aspects of price from down payment to maintenance costs.

3. Energy Savings, Energy Efficient.

4. Architectural Design and Layout of the House.

Affordability is a more important consideration for those who have never owned a home than for those who have. Since most of the never owned group have household incomes under $40,000 and likely need sufficient money for a down payment, it is not surprising that affordability is their key concern. Those who have owned a home, most often mentioned location as a key factor. Presumably lot size would be traded off against both location and affordability.

As might be expected, the potential purchasers who presently pay heat and rate annual energy costs as an important financial consideration made significantly more mentions of energy savings than did the potential purchasers not paying heat and rating energy costs as third or least important.

Important Factors in Home Purchase Decision
Top-of-mind Mentions
(Question 3)

	Factors	Percentage of Mentions (Base = 402) %
1.	Location - Convenience	46
2.	Affordable	42
3.	Energy Saving, Energy Efficiency	23*
4.	Architectural design	22
5.	- Spacious, Large, Lots of Rooms	14
	- Quality of the House	14
6.	Heat Economy - Heat Sources Specified	12*
7.	Size of House	11
8.	Comments on Lot Area	10
9.	Insulation, Well Insulated	10*
10.	Location - Quiet, Right Part of Town	9
11.	Mentions of Specific Rooms	7
12.	Small, Smaller House	6
13	Windows (double, triple glazed)	5
14.	Good View	4
15.	Privacy	4

* Combined energy-related mentions bring the percentage to 50%, and place energy in 1st place.

Reference: Table 3, pages 3 and 4.

2. Importance of Some Specified House Features

Potential purchasers were asked to rate the importance of six specified house features, on a ten-point scale. The following is a rank ordering from most to least important, based on mean ratings.

1.	Warranty or Builder's Guarantee	mean	9.02
2.	More than average energy features	mean	7.39
3.	Designed so rooms can be added later	mean	6.84
4.	Interior be completely finished	mean	5.22
5.	House to be less than 5 years old	mean	4.81
6.	House be on a smaller sized lot	mean	4.02

Clearly, warranty/guarantee, energy features and design are three features of considerable importance to potential purchasers, while interior finish, newness of the house and lot size are of overall less importance.

Warranty/guarantee on the construction of the house is a very important feature for 90% of all potential purchasers. This overwhelming majority gave warranty/guarantee a rating of 7 or higher on a ten-point scale.

Overall, warranty/guarantee is rated significantly higher by: (based on means)

- females than by males;
- those preferring a finished interior than by those preferring an unfinished interior.

Although a warranty/guarantee did not receive top-of-mind mentions, it is a feature that, if offered, could be considered very important in the purchase decision. Females and those preferring a finished interior might be most influenced by a warranty/guarantee but virtually all potential purchasers consider the feature an important one.

A house with more than an average number of energy features is important to 73% of all potential purchasers (rating 7 or higher on a ten-point scale). Overall, the mean rating for energy features is significantly higher for potential purchasers who:

- consider annual energy costs most or second most important than for those ranking it third or least;
- prefer a finished interior than for those who prefer the interior unfinished.

The relationship between wanting more energy features and placing importance on annual energy costs is a logical one. However, the fact that this same group of energy conscious purchasers tends to prefer a finished interior suggests that a portion of the housing market wants housing that is complete in all respects. Since the upfront costs for such a house may be higher, the assumption might be made that the group looking for fully completed houses is in a position to afford it, and is mainly older, higher income and have owned a home already.

The importance of a house designed so that rooms can be added later is rated significantly higher by potential purchasers who: (based on means)

- have never owned a home than by those who have;
- prefer an unfinished interior than by those who prefer the interior finished.

These characteristics strongly suggests that flexible design appeals to the first-time purchaser, who may have more limited financial means and will trade off the less affordable, completed house for one with lower up-front costs. Those not interested in adaptable house layout are more likely to be in a position to purchase a finished home that meets their space needs.

The importance of interior finish is primarily related to home ownership history and age. Potential purchasers who have owned a home and who are 35 years of age or older, show markedly higher mean ratings for a completely finished interior than do younger, inexperienced purchasers. This finding shows particular strength among those who rate complete finish a ten, very important, and is consistent with the results in Section A, Part 2, which suggest that as age increases, interest in an unfinished interior diminishes.

However, when asked on a top-of-mind basis what features they would want in their next home, finishing options were not mentioned, possibly because they have not been extensively offered to date. It appears that if an unfinished interior was an option, it would appeal most to a first-time purchaser, looking for affordable housing, and willing to trade a finished interior for lower up-front costs.

Overall, potential purchasers rating a finished interior as important also consider it important that their next house be less than five years old. Since finished interiors are important to the older, experienced purchaser, it might be assumed that they will be the primary group in the newer house market. However, potential purchasers under 35 years of age are looking for affordable housing and if an unfinished interior makes newer housing as affordable as older housing, then the younger, first-time purchaser could potentially form an important part of the newer housing market as well.

Significantly more potential purchasers who both consider annual energy costs important and want a finished interior, rated a new house as a must (a ten) than did those minimizing the importance of annual energy costs and a finished interior. Since older potential purchasers are less likely to want an unfinished house but are concerned about energy costs, they likely make up a portion of the group of purchasers most committed to buying a newer home.

Overall, building a home on a smaller sized lot is significantly less important than the two top ranking features, namely warranty/guarantee and more than average energy features. The majority (58%) feel that a small lot is of little or no importance (scored 4 or under) when considering the trade-offs involved in buying or building a home. The preference of lot size and shape is covered as a separate topic in Section F, Lot Preference.

Mean Importance of House Features to Potential Purchaser, by Age, History of Ownership, Energy Cost Ranking, and Finish Preference

House Features	Overall Mean Importance	Age		Home Ownership		Importance of Annual Energy Costs		Importance of Finished Interior	
		34 & under	35 & over	Ever Owned	Never Owned	Most or 2nd	3rd or Least	Not Imp.	Very Imp.
Warranty/Guarantee	9.02	9.00	9.02	8.88	9.27	9.06	8.94	8.78	9.32
More Energy Features	7.39	7.40	7.42	7.40	7.36	7.76	6.92	7.03	7.65
Designed for Additions	6.84	7.09	6.59	6.46	7.52	6.80	6.91	7.15	6.24
Finished Interior	5.22	4.88	5.54	5.53	4.66	5.14	5.30	--	--
House, Less than 5 Years Old	4.81	4.86	4.77	4.87	4.70	4.95	4.56	3.98	5.85
Smaller Sized Lot	4.02	3.74	4.29	4.16	3.77	4.06	3.96	4.03	4.35

Reference: Volume II, Tables 29 and 30 on pages 35 to 46.

C. FINANCIAL CONSIDERATIONS IN THE PURCHASE DECISION

The financial considerations explored in this study include:

- costs important in calculating purchase price.

- number of years into the future financial calculation are made compared with the number of years potential purchasers plan to live in their next home.

- amount potential purchasers expect to pay for their next house.

1. Costs Important in the Purchase Decision

While principal, interest and taxes are commonly used in calculations, other costs are also important to the potential purchaser. A ranking of four other costs shows the following order of priority as assigned by potential purchasers: (based on means)

1. Down payment

2. - Annual Energy Costs
   - Maintenance and Upkeep Costs

3. Legal Fees and Commissions

Importance Placed on Four Costs Related to House Purchase

	Down Payment	Maintenance/ Upkeep	Annual Energy	Legal Fees
Total Base:	402	402	402	402
	%	%	%	%
Most Important	55	23	17	3
Second Most Important	10	33	39	16
Third Most Important	24	25	32	18
Least Important	10	18	10	60
Mean	3.13	2.61	2.63	1.62

Reference: Volume II, Tables 35 and 36, pages 51 to 58.

Down payment was ranked first by 63% of potential purchasers aged 34 and under whereas significantly fewer (47%) of those aged 35 and older ranked it first. Because down payment is a sizable up-front cost, its overall importance is understandable, particularly for the younger person who tends to be looking for affordable housing.

Seventy-eight percent of those minimizing the importance of annual energy costs ranked down payment first. Conversely, those rating energy costs first or second minimize the importance of down payment. It appears that there are two groups of potential purchasers; those more concerned with up-front costs and those more concerned with ongoing costs.

Down Payment and Potential Purchaser Characteristics
Percentage of Potential Purchasers by Age
and by Ranking of Annual Energy Costs

Ranking of Down Payment	Total	Age		Importance of Annual Energy Costs	
		34 and under	35 and over	Most or 2nd	3rd or Least
	402	204	193	223	171
	%	%	%	%	%
Most Important	55	63	47	40	78
Second Most Important	10	10	10	9	12
Third Most Important	24	19	29	38	5
Least Important	10	7	12	14	5
Mean	3.13	3.30	2.94	2.75	3.64

Reference: Volume II, Tables 35 and 36, pages 51 and 55.

Annual energy costs and maintenance/upkeep costs have virtually identical rankings, so are tied in second place. Each of these costs was ranked second by one-third of potential purchasers; another one-third ranked each cost in third place.

Given the similarity of means and distribution of rankings, it appears that potential purchasers do not distinguish between energy and maintenance/ upkeep costs, but rather, view them as combined cost factors.

Legal fees and sales commissions are ranked as third or least important by 78% of all potential purchasers. Since these are standard, often fixed costs, it is not surprising that they are ranked as less important than the more sizable costs of down payment, and ongoing energy and maintenance costs.

As with down payment there appears to be a group concerned with up-front costs and another group more concerned with ongoing costs.

2. Potential Purchasers' Time Frames for Financial Calculations, R2000 Payback and Stay in Their Next Home

Overall, the following time frames for financial calculations, R2000 payback and anticipated stay in the next home are significant.

- Financing and mortgage calculations are made 6 to 20 years into the future by 58% of all potential purchasers.

- An extra 10% cost for an R2000 house is expected to be paid back in energy savings within 10 years, by 79% of potential purchasers who would be willing to pay more.

- While 32% of potential purchasers expect to stay in their next house for 6 to ten years, 48% expect to live in their next house for eleven years or more.

It seems that no matter what the number of years used in financial calculations or the anticipated length of stay in the next home, there is a feeling that payback on an R2000 house costing 10% more is expected to be realized within ten years.

There are some potential purchasers whose financial calculations and anticipated length of stay in the next home is 5 years or less. Financial and mortgage calculations, made 5 years or fewer into the future, are more typical of the potential purchasers aged 35 and over who have owned homes, than of those 34 and under who have never owned. The potential purchasers aged 34 and under are significantly more inclined to anticipate a stay of 5 years or less in the next home than are those aged 35 and over.

The implications of the findings on length of stay are that potential purchasers generally expect a long stay in their next home, except for a younger age group that likely expects to be trading up. Adaptable house layout could reduce this need for the young purchaser to trade up.

Further, the group of potential purchasers who expect to stay in their home for an extended period of time will likely be going through significant life stages over the years. Through these different life stages, the potential purchaser will have different housing needs, possibly making this group of purchasers a potential market for adaptable house layout as well as the younger group.

The time frame for financial calculations should be reviewed with caution since calculations far into the future are virtually impossible to do given changing mortgage rates and, likely, changing incomes.

	Percentage of Potential Purchasers by Age		
	Total	34 and under	35 and over
Total Potential Purchasers:	402	204	193
	%	%	%
Who expect to live in their new home for:			
5 years or less	13	17	8
6 to 10 years	32	35	29
11 to 15 years	12	11	13
16 to 20 years	12	9	16
21 to 25 years	6	4	7
More than 25 years	18	15	21

Reference: Volume II, Table 39, page 61.

Number of Years in the Future Financing and Mortgage Costs are Calculated		Total	Age: 34 and under	Age: 35 and over	Ever Owned	Never Owned
Base		402	204	193	259	143
		%	%	%	%	%
5 years or less		15	9	20	19	7
6 to 10 years		19	20	18	18	21
11 to 15 years	58	17	21	14	14	22
16 to 20 years		22	24	20	22	22
21 to 25 years		14	15	14	14	14
More than 25 years		3	3	3	3	4

Reference: Volume II, Table 37, Page 59.

3. Price Expectations for Finished and Unfinished Houses

On average potential purchasers expect to save about one quarter of the price if the house is unfinished.

Average finished house price:	$ 128,790
Average unfinished house price:	95,750
Difference	$ 33,040

Percentage difference in expected price between a finished and unfinished house:	26%

Those with price expectations below these averages are predominantly under 35 years of age, with household incomes of under $40,000, have never owned a home and do not pay for heat. Those expecting to pay more than the average prices have significantly opposite characteristics, namely, aged 35 and over, household incomes of $40,000 and over, have owned a house, and presently pay for heating.

Although about one half of potential purchasers expect to save between 11 and 25% by buying a house with the interior unfinished, there are, in general, a wide range of percentage saving expectations. This is not unexpected; the finishing option is not currently offered on a large scale and few potential purchasers are likely to have experience in judging finishing costs.

Significant Differences in Price Expectations for Finished and Unfinished Houses, by Potential Purchaser Characteristics
($000's)

Potential Purchaser Characteristics	Mean Finished Price	Mean Unfinished Price
Mean Prices:	128.8	95.8
Age:		
34 and under	119.7	86.8
35 and over	139.1	106.0
Household Income:		
Under $40,000	113.7	83.6
$40,000 or over	147.0	109.8
Home Ownership History:		
Never Owned	109.8	79.9
Ever Owned	139.5	105.3
Heating:		
Doesn't Pay Heat	111.7	80.9
Pays Heat	135.1	101.1

Reference: Volume II, Tables 41 to 44, Pages 63 to 66.

In summary, younger, lower income, first-time purchasers expect to pay less for their house whether it is finished or not. This same group is looking for affordable housing and considers down payment the most important consideration, after principal, interest and taxes. Older, experienced purchasers, on the other hand, expect to pay more than the average for their next house. They tend to want finished housing and convenient location. With generally higher incomes they are likely in a position to buy the house they want.

Percentage of Potential Purchasers
Expecting to Save, by Percent they Expect to Save

Percentage Saving Expected by Buying a House with the Interior Unfinished	Percentage of Potential Purchasers	
	%	
0 to 10 Percent	10	
11 to 15 Percent	15	
16 to 20 Percent	19	52%
21 to 25 Percent	18	
26 to 30 Percent	12	
31 to 35 Percent	10	
36 Percent or more	15	
Mean Saving Expected:	$24,300	

Reference: Volume II, Table 44A, page 66A.

D. THE INTERIOR FINISH PREFERENCES OF POTENTIAL PURCHASERS

Overall, significant majorities of potential purchasers prefer a house that is:

Unfinished with regard to painting

Finished with regard to:

- carpeting on the lower level
- doors on kitchen cabinets
- interior doors installed.

A clearcut preference did not emerge with regard to the finishing of the upper floor or space additions. It appears that interest in finishing options diminishes as the amount of skill required to do the finishing increases and most perceive savings to result from "do-it-yourself" rather than contracting later.

In all cases where an option was preferred unfinished, the majority of potential purchasers stated that they would do the finishing themselves. Those under 35 years of age, who have never owned a home, tend to make up a significant portion of "do-it-yourselfers" for all options, except painting. Painting seems to be a universal option which potential purchasers of all ages, whether they have previously owned a home or not, would undertake to complete themselves.

As might be expected there is a strong, positive relationship between preference for buying a finished house and rating a finished interior important.

In summary, as the amount of skill required to finish options increases, potential purchasers are less inclined to want to do the finishing, or have it done later by someone else. Only painting is of overall interest to a majority of potential purchasers and most are prepared to do it themselves. For all other finishing options, those who are prepared to accept the option unfinished would consider doing the work themselves and tend to be younger, first-time purchasers.

Preference of Interior Finish and Willingness of Potential Purchasers to Complete Finishing Work Themselves

		Finishing Preference		Do Work Themselves	
	Total	Finished	Unfinished	Yes	No
Base	402	%	%	%	%
Painting		42	51	49	2
Upper Floor Finishing		49	45	42	4
Space for Future Needs		47	46	28	18
Lower Level Carpeted		57	36	28	8
Doors on Kitchen Cabinets		71	24	20	3
Interior Doors Installed		71	23	21	1

Reference: Volume II, Tables 11 to 22, pages 17 to 28.

Age and Ownership as it Relates to the "Do-it-Yourselfer"

Potential Purchasers Who Would Do the Work Themselves	Total	Age		Ownership	
		34 and under	35 and over	Have Owned	Never Owned
Base	402	204	193	259	143
	%	%	%	%	%
Paint	49	50	49	46	55
Finish Upper Floor	42	50	34	35	53
Add Space	28	32	23	22	37
Carpet Lower Level	28	31	26	26	33
Put Doors on Kitchen Cabinets	20	25	16	17	27
Install Interior Doors	21	26	17	17	29

Reference: Volume II, Tables 11 to 22, pages 17 to 28.

E. ENERGY EFFICIENCY IN THE PURCHASE DECISION

1. Energy Features Wanted in the Next Home

Potential purchasers were asked what energy saving features they wanted in their next home. Over half made unaided mention of insulation. Other significant mentions are a specific heating source, i.e. a house heated with natural gas, solar, etc. (41%), and high quality windows (38%). One quarter of potential purchasers mentioned heat exchangers. It is likely that some potential purchasers learned about heat exchangers at the HUDAC Triple "A" house since 27% mentioned heat exchangers and airtight construction as useful information gathered on their tour.

The majority of those who wanted heat exchangers in their next house have already owned a home. Since home owners tend to pay their own heat and to consider annual energy costs important in the purchase decision, it is understandable that they would be interested in the heat exchangers.

Given the number of programs and amount of general publicity focused on insulation and double glazed windows, it is not surprising that these two energy features ranked first in number of mentions. However, at the bottom of mentioned features is energy efficient appliances, which have also received considerable public exposure, though energy efficient appliances have had no associated subsidization program.

Top Ten Energy Saving Features Wanted in Next Home

(unaided mentions)

1.	INSULATION: extra insulation, specific type of insulation	53%
2.	SPECIFIC HEATING SOURCES: including natural gas, oil heating, wood burning, solar	41%
3.	WINDOWS: good quality, double or triple glazed	38%
4.	HEAT EXCHANGER: ventilation, heat pump, heat exchange unit	24%
5.	WELL AND PROPERLY CONSTRUCTED: airtight	8%
6.	HEATING EFFICIENCY: low cost heating	8%
7.	- FIREPLACE	7%
	- SAME AS HUDAC HOUSE	7%
8.	WATER HEATING SYSTEM	7%
9.	ENERGY EFFICIENT APPLIANCES	3%
10.	SKYLIGHTS	2%

Reference: Volume II, Table 5, pages 7 and 8.

2. Financial Considerations in the Purchase of an R2000 House

Although R2000 houses would have a higher price, potential purchasers appear to be both willing to accept the idea of spending more if the extra mortgage cost is offset in energy savings, and prepared to believe that the higher price paid might be partly or fully recovered on resale.

Offsetting of extra monthly mortgage by savings in the cost of energy is a very attractive proposition to 53% of potential purchasers. Another 28% indicated they would be somewhat likely to spend more for their house if they thought the added mortgage payment would be offset by savings in energy costs. This more skeptical group is significantly more likely to be under 35 years of age, have household incomes under $40,000, and never have owned a house, than to be an older, higher income, experienced purchaser.

Of those who believe an offset of extra mortgage payments by energy savings is possible, almost 80% would want a complete payback of an extra 10% cost in ten years or less. There appear to be no significant purchaser characteristics related to payback time frame.

On resale, partial or complete recovery of the extra cost of an R2000 house is expected by 79% of all potential purchasers (32% expecting complete recovery; 47%, partial recovery). Males are significantly more likely to believe that complete recovery is possible than are females, the majority of whom believe partial recovery is more likely.

As might be expected, a significant proportion of those who rate annual energy costs as an important financial consideration are also inclined to believe that the extra cost of an R2000 house would be completely recovered on resale.

In conclusion, R2000 appears to be an acceptable concept as long as potential purchasers feel they will make sufficient energy savings to recover the added cost within ten years. Potential purchasers show considerable confidence that at least part of the extra cost would be recovered when the R2000 house is sold.

Age and Home Ownership History, As it Relates to the Likelihood of Spending More for an R2000 House if Extra Mortgage is Offset by Energy Savings

		Age		Ownership	
	Total	34 and under	35 and over	Have Owned	Never Owned
Potential Purchasers	402	204	193	259	143
	%	%	%	%	%
Likelihood of Spending More for a Home if Extra Monthly Mortgage Payment is Offset by Monthly Energy Savings					
Very likely	53	48	59	54	50
Somewhat likely	28	36	20	22	39
Somewhat unlikely	7	6	7	8	5
Not at all likely or don't know	12	10	13	15	6

Reference: Volume II, Table 23, page 29.

F. LOT SIZE AND SHAPE PREFERENCES

The rating of lot size as a trade-off in the purchase decision illustrated that potential purchasers may be unaware of the benefits of a small lot. When asked specifically about preferred size of lot, a large number (74%) of potential purchasers claimed they would like a lot larger than average, compared with only 17% who would prefer a smaller lot. While the overall preference is for a large lot, those aged 34 and under are especially predisposed to show this preference.

The preferred shapes of lots are:

- relatively equal in length and width (41% of potential purchasers)
- longer than it is wide (38% of potential purchasers)

Overall, large long lots are preferred. However, when faced with the affordability issue, the younger potential purchaser might be prepared to accept a smaller lot. As well, the older potential purchaser who is searching for a house with a convenient location could well be prepared to trade off a larger lot for a smaller one in the desired location, especially if a large lot was more costly. Since price was never mentioned in relation to lot size, these results should be interpreted with caution. Further, the concept of small, that is, 2500 square feet was not particularly well demonstrated at the HUDAC Triple "A" Home.

Lot Size

Preference by Age

	Total	Age: 34 and under	Age: 35 and over
Total Potential Who Prefer a Lot	402	204	193
	%	%	%
Larger than Average	74	80	69
Smaller than Average	17	14	19
Neither or Do Not Know	9	6	12

Reference: Volume II, Table 31, page 47.

G. THE HUDAC TRIPLE "A" DEMONSTRATION HOME

1. Information Provided in the HUDAC House which is Considered Helpful in the Purchase Decision

The HUDAC Triple "A" Home was built to demonstrate what affordable housing could be. It was:

- built on a smaller lot
- designed so that space could be added later
- had a partially finished interior
- was built to an R2000 level of energy efficiency.

Given the emphasis on affordable housing, it is not surprising that the majority (51%) of potential purchasers who toured the home were younger first-time buyers.

When asked what information or ideas they found particularly helpful in deciding on a home to buy, potential purchasers mentioned:

1. Design and layout
2. Heat exchanger, airtight construction
3. Insulation
4. Energy efficiency, economy conservation
5. Space can be added, walls are movable to change room size.

Clearly, some important elements built into the Triple "A" Home were retained by visitors and were found helpful.

Top Ten Mentions of Information Presented in the HUDAC Triple "A" Home Considered Particularly Helpful

		Percentage of Potential Purchaser Mentions (Base = 402)
1.	Design and layout - use of space, interior plan	29%
2.	Heat exchanger, airtight	27%
3.	Insulation	24%
4.	Energy efficiency, economy, conservation	20%
5.	Space - can be added on later, movable walls to change room size	14%
6.	Nothing	11%
7.	Size	10%
8.	Windows - triple or double glazed	7%
9.	Economical/price range	6%
10.	Good construction	6%

Reference: Volume II, Table 7, pages 11 and 12.

The design, layout and space concepts were most helpful to younger people who have never owned homes, and are less aware of energy costs as an important factor in the purchase decision.

Further, energy related mentions are made more frequently by males than by females; while those mentioning specific energy features such as heat exchangers and insulation were predominately from the group of purchasers who also rated annual energy costs as an important factor to their future purchase decision.

The majority of potential purchasers said they understood the features demonstrated in the HUDAC house. Of the miscellaneous mentions of features not understood, only the heat exchanger (ventilation, air flow system) received a significant number of mentions (13%).

In general, the HUDAC house successfully communicated innovations such as adaptable house layout, and energy efficiency house features. However, lot size and finishing options received no mentions by potential purchasers, suggesting that these features were either not an issue or likely, not well communicated.

Top Five HUDAC Features

	Total	Sex		Age		Home Ownership		Importance of Annual Energy Costs in Purchase	
		M	F	34 & under	35 & over	Ever Owned	Never Owned	Most 2nd	3rd Least
	402	229	173	204	193	259	143	223	171
	%	%	%	%	%	%	%	%	%
Design and Layout	29	28	30	31	26	25	36	22	37
Heat Exchanger	27	34	17	27	28	25	29	34	18
Insulation	24	29	16	21	28	26	20	28	18
Energy Efficiency, Economy, Conservation	20	23	17	24	18	20	21	20	21
Space - can add space and move walls	14	11	18	20	8	8	24	14	16

Reference: Volume II, Tables 7 and 8, pages 11 to 14.

2. Usefulness of Demonstration Houses in Communicating Innovative Ideas

It seems clear that the HUDAC Triple "A" Home was a useful way of demonstrating innovations. Generally, people had good recall of features demonstrated except for lot size and interior finishing options. There may be good reasons why the recall of these two features was negligible. First, lot size, the house was constructed on a temporary site in an area that is high density, commercial and downtown. It could have been assumed that limited available space was the reason for the small area surrounding the house. Further, lot size received overall less publicity than for example R2000, and was not pointed out on site, through use of signs or in any other way.

Second, interior finish, the lower floor of the house was completely decorated. This detracted from the impact of an unfinished interior. While the upstairs was not completely finished, it was used for exhibits, again detracting from the impact of an unfinished interior.

In setting up a demonstration house, all the innovations should be clearly illustrated or modelled, on site, and additional thought should be given to how this can best be done.

3. Super Energy Efficient (R2000) Housing (SEEH)

While people seem to grasp the concept of energy efficient housing, they tend to think in terms of familiar energy features such as insulation, double or triple glazed windows, and particular heat sources such as natural gas, oil, and so forth. Heat exchangers, one of the specific features of SEEH, are mentioned as wanted in the next house but are also mentioned as a feature not fully understood. Because the component of air-tightness and controlled ventilation is so fundamental to a SEE house, successful communication of this concept will be vital to the marketing of R2000 housing.

Further, although the concepts of payback and cost recovery on resale are accepted, there is a possibility that when faced with the actual choice of a SEE house or a regular house, purchasers will look at the extra cost and take a regular house. It is generally acknowledged that people are more prepared to believe energy efficiency is important than to actually follow through with an action that will give them energy efficiency.

SEE will likely be most welcome to those who have owned a house and, therefore, have some understanding of both energy costs and possible savings. Since affordability is an issue with those aged under 35, they may be more likely to opt for a house with lower up-front costs, not necessarily SEEH. They would probably have to be convinced that there was some acceptable trade-off that would reduce the overall cost in the same amount as SEE would increase it.

A more in-depth probe of the public perception of super energy efficient features and acceptable cost should be undertaken, so that this innovation can be properly positioned and appropriately targeted when it is launched. Since public awareness of SEE is very limited, focus groups are the recommended research approach.

In looking at annual energy costs and the "purchase equation", it seems that principal, interest, taxes and energy (P.I.T.E.) is not the predominant formula. More likely, it is P.I.T. and down payment for first-time purchasers and P.I.T. and ongoing, operating costs for others.

While potential purchasers do acknowledge that annual energy costs are important, ongoing costs such as maintenance and upkeep are more common pre-purchase considerations (and annual energy costs may or may not be a component of these costs).

Financial incentives and lender policies rewarding the purchase of more energy efficient housing is clearly a move in the right direction but entrenchment of annual energy costs into the purchase equation will be a prolonged process in the absence of further incentives and encouragement.

Until the potential purchaser can be convinced that "enough" economic benefit will be derived from accounting for annual energy costs in his purchase equation, will be a prolonged process in the absence of further incentives and encouragement.

Until the potential purchaser can be convinced that "enough" economic benefit will be derived from accounting for annual energy costs in his purchase equation, there appears to be little reason to consider it at the pre-purchase stage.

4. Adaptable House Layout

The adaptable house layout of the HUDAC Triple "A" Home stimulated a high level of interest as architecture/design seems to be an important consideration in the selection of a new home. Opportunities appear to be greatest among purchasers looking for affordable housing (primarily young, first-time purchasers). However, there seems to be a portion of the population that wants specific layout elements but not adaptability - they want to purchase a house that will require no modifications after move-in. These individuals are over 35, possibly tending to be 45+, with household incomes over $40,000. Likely, they have owned homes and will trade up to a house that meets their needs.

In general, adaptable house layout probably makes most sense in starter homes but there may be a secondary market among those who want to stay in one house for a longer time.

Individuals who view home purchase as a long-term proposition will move through various life stages which will cause them to reassess their space requirements. If adaptable housing would accommodate their changing needs, then this could also be a potential market. However, the purchaser would have to look far into the future to recognize that life stages would bring different housing requirements. This would make the adaptable house layout a hard concept to sell. The purchaser would likely be looking to fill immediate needs not needs 10 years into the future.

5. Interior Finishing Options

If houses are offered with the opportunity of reducing the initial cost by leaving parts of the interior unfinished, then the first option offered should be painting. It seems to be acceptable to most potential purchasers. However, the opportunity also exists to target many other finishing options to first-time purchasers, especially those under 35. They are prepared to do work themselves and want affordable housing. Options requiring more skill, such as installing doors and carpets, are least acceptable, and could probably be deleted from the finishing option list.

If actual savings are minimal, the concept of purchasing a partially unfinished home would not succeed with the consumer. People expect to save an average of 25% or about $33,000 on a home costing $129,000, finished. If this is not realistic, it may be necessary to educate the public about costs, before actively marketing finishing options.

6. Lot Size, and Shape

It seems that most people dream about a house on a large, long lot. Probably there is little knowledge about the cost of land or the purchasers looking for affordable housing and the experienced purchaser would have made the connections and not opted for larger than average lots. Since questions about lot size made no reference to cost, one can only speculate that when the reality of lot prices enters the scene, lot size preferences will be modified to more realistic proportions.

CANADIAN FACTS
VANCOUVER

RFS7S

Hello, I'm _____ of Canadian Facts, a professional marketing research company. May I speak to ?

Mr./Mrs.: (READ NAME OFF CARD)

YES ..... _

NO ..... _ TERMINATE

NOT AVAILABLE, ARRANGE FOR CALLBACKS ..... _

(Note: This is a 2 call survey)

CALL NO.	INTER-VIEWER	DATE	TIME	NO ANS.	BUSY 1,2,3	CALL BACK	NON-VAL.	NON-QUAL.	NON-RES.	REF.	LAN. PROB.	COMP.
1	_____	_____	_____	- 1	2	3	4	5	6	7	8	9
2	_____	_____	_____	- 1	2	3	4	5	6	7	8	9

APPOINTMENT - NAME: _____

DATE: _____

TIME: _____

RE-INTRODUCE YOURSELF IF NECESSARY, THEN SAY:

We're conducting a survey on new kinds of housing and I'd like to ask you a few questions.

1. Recently a demonstration house built by HUDAC was open for public viewing on the corner of West Georgia and Thurlow. Did you personally tour this house?

YES ..... ☐

NO ..... ☐

DON'T KNOW ..... ☐

END INTERVIEW AND ERASE

2. Whether you are presently a home owner or not would you say you are planning to .... (READ LIST - CHECK ONE ANSWER ONLY)

.... buy a home in the next 1 or 2 years ..... - 1

.... buy a home in the next 3 to 5 years 2

.... buy a home in the next 6 to 10 years 3

or, ... not expecting to buy a home within the next 10 years 4

END INTERVIEW AND ERASE

3. Thinking about your decision to buy or build a home, what factors do you consider to be the <u>most important</u>?

_____ -

_____ -

_____ -

_____ -

4. What kinds of energy saving features or systems would you like in the home you plan to buy or build?

_____ -

_____ -

_____ -

_____

5. What information or ideas presented in the HUDAC house will be particularly helpful to you in deciding on a home to buy? Anything else? (PROBE TO CLARIFY

_____ -

_____ -

_____ -

_____ -

6. Were there any features of the HUDAC house that you did not understand or know enough about?

_____ -

_____ -

_____ -

7. One major feature of the HUDAC house was its price adaptability. The idea is, you can buy a basic home with or without several money saving options. You can keep the initial cost of the house down by completing certain construction items later. Would you prefer to buy a house with ....

(a) .... the interior painted ..... - 1

or, the interior unpainted ..... ▲ 2 — SKIP TO Q.7(b)

DON'T KNOW 3

▲ would you complete this work yourself?

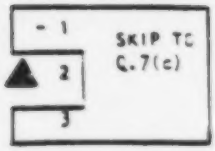
YES ..... - 1

NO 2

7(b) ..... the lower level carpeted ..... - 1

or, with the lower level uncarpeted 2

DON'T KNOW 3



▲ Would you complete this work yourself?

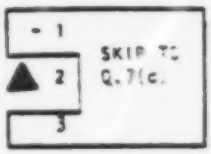
YES ..... - 1

NO 2

(c) .... the interior doors installed ..... - 1

or, with the interior doors not installed 2

DON'T KNOW 3



▲ Would you complete this work yourself?

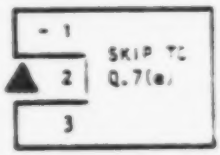
YES ..... - 1

NO 2

(d) ..... doors on the kitchen cabinets..... - 1

or, without doors on the kitchen cabinets 2

DON'T KNOW 3



▲ Would you complete this work yourself?

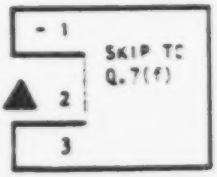
YES ..... - 1

NO 2

(e) ..... the upper floor finished ..... - 1

or, with the upper floor unfinished 2

DON'T KNOW 3



▲ Would you complete this work yourself?

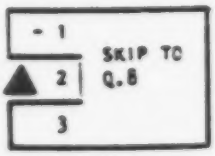
YES ..... - 1

NO 2

(f) .... that is large enough to meet your future needs for space ..... - 1

or, one that is smaller and can have space added to it later on 2

DON'T KNOW 3



▲ Would you complete this work yourself?

YES ..... - 1

NO 2

8. An R2000 or Super Energy Efficient home is constructed with special features. The extra mortgage cost of these features can be off-set in energy savings each month or the initial investment in R2000 will pay for itself in energy savings over a period of years.

(a) How likely would you be to spend more for your home, knowing that the extra monthly mortgage amount you pay will be completely or almost completely off-set each month in energy savings?

Very likely	- 1
Somewhat likely	2
Somewhat unlikely	3
Not at all likely	4
DON'T KNOW	5

SKIP TO Q.9

(b) Would you be willing to pay up to 10% more for an R2000 home if it paid for itself in .... (READ LIST)

More than 10 years	- 1
Six to 10 years	2
Five years or less	3
DON'T KNOW	4

(c) Overall, do you think the extra cost incurred in constructing a new house to super energy efficiency standards would be completely, partly or not recoverable in the resale price? (READ LIST)

Completely recoverable	- 1
Partly recoverable	2
Not recoverable	3
DON'T KNOW	4

9. Buying or building a home often involves trade-offs. I'd like you to tell me how important you consider each of these features to be, on a scale of 1 to 10 where 10 means "Very Important" and 1 means "Not At All Important". (READ LIST) How important is it that ...

START HERE		NOT AT ALL IMPORTANT									VERY IMPORTANT	DON'T KNOW
☐	.... the home be built on a smaller sized lot...	- 1	2	3	4	5	6	7	8	9	0	X
☐	.... the interior of the house be completely finished before you move in	- 1	2	3	4	5	6	7	8	9	0	X
☐	.... the house be designed so that extra rooms can be added on later	- 1	2	3	4	5	6	7	8	9	0	X
☐	.... the construction of the home is covered by a warranty or builder's guarantee	- 1	2	3	4	5	6	7	8	9	0	X
☐	.... the house you buy be less than 5 years old..	- 1	2	3	4	5	6	7	8	9	0	X
☐	.... the house have more than an average number of energy efficient features	- 1	2	3	4	5	6	7	8	9	0	X

10(a) Overall, would you prefer a house on a lot which is larger than average or a lot which is smaller than average?

LARGER	- 1	
SMALLER	2	
NEITHER	3	SKIP TO Q.11
DON'T KNOW	4	

(b) Would you prefer this lot to be .... (READ LIST)

.... longer than it is wide	- 1
.... wider than it is long	2
or, ... of relatively equal length and width	3
DON'T KNOW	4

11. Principal, interest and taxes are three important costs related to the purchase of a new home. I'm going to read a list of four other costs. Would you rank them in order of importance. Which one is most important, least important, etc. ... (READ LIST)

	MOST IMPORTANT	2ND	3RD	LEAST IMPORTANT
.... down payment required	- 1	2	3	4
.... legal fees and sales commissions	- 1	2	3	4
.... expected annual energy costs	- 1	2	3	4
.... annual maintenance and up-keep	- 1	2	3	4

12(a) When thinking of the financing and mortgage costs for your home, how many years in the future are included in your calculations? (RECORD BELOW)

(b) How many years would you expect to own or live in the new home you're planning to buy? (RECORD BELOW)

	Q.12 (a)	Q.12 (b)
Less than 5 years	- 1	- 1
6 to 10 years	2	2
11 to 15 years	3	3
16 to 20 years	4	4
21 to 25 years	5	5
More than 25 years	6	6
DON'T KNOW	7	7

13(a) Approximately what amount do you expect to pay for a completely finished home, including the land?

- / = $ _ _ _ .000

(b) What amount would you expect to pay for a home with an unfinished interior, for example, one requiring finishing of the upper floor, interior painting and carpeting, including the land?

- / = $ _ _ _ .000

14. Have you ever owned your own home?

YES ..... - 1

NO ..... - 2

15. Do you own, either individually or co-operatively, or do you rent the place where you presently live?

OWN ..... - 1

RENT ..... - 2

16. Do you pay <u>directly</u> for heating your present accommodation?

YES ..... - 1

NO ..... - 2

DON'T KNOW ..... - 3

17. Is this residence ..... (READ LIST)

A single family house ..... - 1

A townhouse or duplex 2

An apartment 3

A mobile home 4

Other (Specify) _____

18. How many people including all adults and children are there living in your household?

ONE ..... - 1

TWO 2

THREE TO FOUR 3

FIVE AND OVER 4

REFUSED 5

<u>BASIC DATA</u>

I have a few final questions to be used for statistical purposes only.

19 a SEX: (OBSERVE) MALE ..... - 1

FEMALE 2

(b) Which of the following age categories can I put you into? (READ LIST)

18 - 24 years ..... - 1

25 - 34 years 2

35 - 44 years 3

45 - 54 years 4

55 - 64 years 5

65 years or over 6

REFUSED 7

(c) What is your marital status? (DO NOT READ LIST)

MARRIED/COMMON LAW	- 1
DIVORCED/WIDOWED/SEPARATED	2
SINGLE	3
REFUSED	4

(d) Which of the following best represents your usual occupation? (READ LIST)
(ASK ONLY IF APPLICABLE:) What is your spouse's occupation?

	SELF	SPOUSE
Professional or technical	- 1	- 1
Manager or administration	2	2
Sales Worker	3	3
Clerical Worker	4	- 4
Crafts Worker	5	5
Machine Operator	6	6
Labourer	7	7
Service Worker	8	8
Government or Military	9	9
Homemaker	- 1	- 1
Student	2	2
Retired	3	3
Other (SPECIFY)	- _____	- _____

(e) Do you presently work outside the home on a full-time basis? Does your spouse?

	SELF	SPOUSE	
YES	- 1	- 1	
NO	2	2	IF BOTH DON'T WORK SKIP TO END
NOT APPLICABLE		3	

(f) How many people presently living in your household, including yourself, contribute to the combined household income?

ONE	1
TWO	2
THREE	3
FOUR	4
FIVE OR MORE	5

(g) Into which of the following broad categories does your total annual family income fall, that is the total income before tax, from all members in your family? Would it be $30,000 or more, or would it be under $30,000 per year?

Under $30,000	1	$30,000 Or Over	2
Is that:		Is that:	
Under $10,000	3	$30,000 - $34,999	8
$10,000 - $14,999	4	$35,000 - $39,999	9
$15,000 - $19,999	5	$40,000 - $44,999	0
$20,000 - $24,999	6	$45,000 Or More	x
$25,000 - $29,999	7		

REFUSED	1
DON'T KNOW	2

DATE: _____

INTERVIEWER: _____

POOR

QUALITY

ORIGINAL